Case 7:08-cv-01813-KMK Document 1

ocument 1 Filed 02/22/2008

Page 1 of 11

# 08 CV 01813(kmk)

IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK

Aquasmart Technologies, Inc.,

Plaintiff,

Aquasmart, Inc.

٧.

Civil Action Co E I V E COMPLIANT FOR 272 2008
INFRINGEMENT UNITED TO THE COMPETITION OF THE FACE OF THE COMPETITION OF THE CO

DEMAND FOR JURY TRIAL

#### Defendant

#### I. INTRODUCTION

- 1. Plaintiff Aquasmart Technologies, Inc. ("Aquasmart"), by and through its undersigned attorneys, brings this Complaint against Defendant Aquasmart, Inc. ("Defendant" or "ASI") for trademark infringement, false designation of origin, false advertising, and unfair competition, in support of which Plaintiff alleges as follows:
- 2. Aquasmart brings this action for injunctive relief and for damages suffered as a result of Defendant ASI's unauthorized use of the mark AQUASMART to rent and sell water purification products, despite Aquasmart's long-standing federal registration and use of the trademark AQUASMART for water filters, purifiers, and related goods in the United States.

- 3. After receiving a misguided complaint from a disgruntled ASI customer, Plaintiff Aquasmart, through its attorneys, sent Defendant ASI a "cease and desist" letter in May 2006 notifying ASI of Aquasmart's objections to the use of its trademarks. Despite Aquasmart's repeated requests that ASI cease use of Aquasmart's trademarks, ASI continues to promote its services and products using the AQUASMART marks.
- 4. Plaintiff accordingly seeks relief from this Court, including an accounting, damages, recovery of its costs and attorneys' fees, and a preliminary and permanent injunction enjoining Defendants from using Plaintiff's trademarks for commercial purposes, and from misleading the public through the misuse of Plaintiff's trademarks.

#### II. PARTIES

- 5. Aquasmart Technologies, Inc. is a Canadian corporation with its principal place of business at 3122 Beta Avenue, Burnaby, British Columbia, V5G 4K4 Canada. Plaintiff is engaged in the business of providing products for water filtration, conservation, and purification. Plaintiff serves a broad variety of residential customers, some of which are located in this District. Plaintiff has a strong online presence at <a href="https://www.aquasmart.com">www.aquasmart.com</a>.
- 5. Upon information and belief, Defendant Aquasmart, Inc. is an unincorporated entity with its principal place of business at 106 Purdy Avenue, Port Chester, New York 10573. Upon information and belief, Defendant is engaged in the business of providing water purifying units, including water coolers, water cooler rentals, and replacement filters for water purifying units.

#### III. JURISDICTION AND VENUE

- 6. This Court has subject matter jurisdiction: (i) pursuant to Section 39 of the Lanham Act, 15 U.S.C. §1121, under 28 U.S.C. §1331, 1338(a), and 1338(b), and (ii) under the doctrines of pendant and supplemental jurisdiction.
- 7. This Court has personal jurisdiction over ASI as its headquarters are located in this District and as ASI regularly solicits and conducts business in New York.
- 8. Venue is proper in the Southern District of New York pursuant to 28 U.S.C. § 1391(b) in that the Defendant is located in this district and a substantial part of the events giving rise to the claims occurred in this district.

# IV. PLAINTIFF'S EXCLUSIVE USE AND OWNERSHIP OF THE AQUASMART TRADEMARK

9. Since at least 1991 Plaintiff Aquasmart has adopted and used the distinctive mark AQUASMART in connection with its business in Canada. Since at least as early as July 1993, Plaintiff has been using the mark AQUASMART in commerce in the United States. Aquasmart has obtained U.S. Registration No. 1,875,881 from the U.S. Patent and Trademark Office, for the following stylized trademark for use with, *interalia*, "water purifying units":



A copy of this registration is annexed as Exhibit A hereto.

10. This registration is valid, subsisting, and is in full force and effect and is conclusive evidence of Plaintiff's ownership and exclusive right to use the mark in

- 15. Defendant ASI is in no way affiliated with Aquasmart.
- 16. On information and belief, Defendant began using trademarks using the mark and trade name "Aquasmart" well after Plaintiff began its use of its AQUASMART Marks. Defendant began such usage without regard to the rights Plaintiff had established in the AQUASMART Marks. Upon information and belief, Defendant registered the Website <a href="https://www.aquasmartco.com">www.aquasmartco.com</a> in 2003.
- 17. Defendant is not now, nor has it ever been, a licensee of the AQUASMART Marks.
- 18. On information and belief, Defendant ASI offers water purification products and services that are related to the products offered by Plaintiff Aquasmart, to the same or related customers, and that are used for the same or related purposes.

#### V. DEFENDANT'S WRONGFUL ACTIONS

- 19. On or about May 2, 2006, Plaintiff Aquasmart learned that ASI was using "AQUASMART" as a trademark for its water purifying units. Plaintiff Aquasmart discovered such usage after receiving a misdirected communication from one of ASI's disgruntled customers, and after viewing Defendant's website www.aquasmartco.com.
- 20. On May 2, 2006, Aquasmart, through its attorneys, sent Defendant a letter demanding that Defendant ASI halt such unauthorized usage. A copy of that letter is annexed as Exhibit B hereto. The letter stated that Defendant's use of confusingly similar marks to the AQUASMART Marks infringed Plaintiff's rights.
- 21. On August 8, 2006, ASI responded through its counsel and denied that the marks were similar. A copy of that letter is annexed as Exhibit C hereto.

### COUNT I

# FEDERAL TRADEMARK INFRINGEMENT In Violation of 15 U.S.C. § 1114 (Lanham Act § 32)

- 27. Aquasmart realleges and incorporates by reference herein all of the allegations set forth in the foregoing paragraphs 1 through 26.
- 28. This cause of action arises under Section 32 of the Lanham Act, 15 U.S.C. § 1114.
- 29. Defendant ASI's use in commerce of trademarks confusingly similar to Plaintiff's federally registered AQUASMART mark, in connection with Defendant's sale, offering for sale, distribution and advertising of its goods or services is likely to cause confusion, to cause mistake, or to deceive customers or potential customers, or other members of the consuming public.
- 30. The aforesaid acts of Defendant have been willful and deliberate.
- 31. As a result of such unauthorized use, ASI has infringed and threatens to continue to infringe, Aquasmart's rights under 15 U.S.C. § 1114.
- 32. As a result of such infringements, Aquasmart has suffered and is likely to continue to suffer severe and irreparable injury as well as lost sales and impaired customers relations.
- 33. Accordingly, Aquasmart is entitled to a preliminary and permanent injunction against Defendant ASI, as well as all other remedies available under the Lanham Act, including, but not limited to, compensatory damages, disgorgement of profits, treble damages, and costs and attorney's fees.

## COUNT II

#### FEDERAL FALSE DESIGNATION OF ORIGIN In Violation of 15 U.S.C. 1125(a) (Lanham Act § 43(a))

- 34. Aquasmart realleges and incorporates by reference herein all of the allegations set forth in the foregoing paragraphs 1 through 33.
- 35. Defendant's unauthorized use of the trademark AQUASMART in commercial advertising, promotion, and sale of water purification products and related goods and services, and in the domain name www.aquasmartco.com, misrepresents the nature, characteristics, and origin of Defendant's goods and services, and constitutes infringement of the AQUASMART Marks.
- 36. The aforesaid acts of Defendant have been willful and deliberate.
- 37. Such false and misleading representations are likely to confuse, mislead or deceive consumers as to the affiliation, connection and/or association of Plaintiff Aquasmart with Defendant ASI's products and services, in violation of 15 U.S.C. § 1125(a), Lanham Act Section 43(a).
- 38. The aforesaid acts of the Defendant has injured Plaintiff Aquasmart in an amount to be determined at trial.
- 39. Defendant's activities constitute false designation of origin, false or misleading descriptions, or false or misleading representations in violation of Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a).

- 40. As a result of such infringements, Aquasmart has suffered and is likely to continue to suffer severe and irreparable injury as well as lost sales and impaired customers relations.
- 41. Accordingly, Aquasmart is entitled to a preliminary and permanent injunction against Defendant ASI, as well as all other remedies available under the Lanham Act, including, but not limited to, compensatory damages, disgorgement of profits, treble damages, and costs and attorney's fees.

#### COUNT III

# FALSE ADVERTISING In Violation of New York General Business Law § 350

- 42. Aquasmart realleges and incorporates by reference herein all of the allegations set forth in the foregoing paragraphs 1 through 41.
- 43. Defendant's use in commercial advertising or promotions of the marks that are confusingly similar to the AQUASMART Marks misrepresents the nature, characteristics, qualities, and origin of Defendant's goods and services. Customers are likely to believe that Plaintiff Aquasmart is affiliated with Defendant's goods and services due to Defendant's use of the term "Aquasmart" to advertise and promote identical or similar goods and services as Plaintiff's goods and services.
- 44. The aforesaid acts of Defendant have been willful and deliberate.
- 45. The aforesaid acts of the Defendant has injured Plaintiff Aquasmart in an amount to be determined at trial.

46. Defendant's acts described above constitute false advertising in violation of New York General Business Law § 350.

#### **COUNT IV**

# UNFAIR COMPETITION In Violation of New York General Business Law § 360-1

- 47. Aquasmart realleges and incorporates by reference herein all of the allegations set forth in the foregoing paragraphs 1 through 46.
- 48. The aforesaid acts of Defendant are likely to cause injury to Plaintiff's business reputation and result in Defendant unfairly competing with Plaintiff in violation of New York General Business Law § 360-1.
- 49. Defendant's acts are willful and deliberate, and unless restrained by this Court, will continue to cause irreparable damage, loss, and injury to Plaintiff.
- 50. The aforesaid acts of the Defendant have injured Plaintiff Aquasmart in an amount to be determined at trial.
- 51. Defendant's acts described above constitute unfair competition and injury to business reputation in violation of New York General Business Law § 360-1.

#### COUNT V

#### COMMON LAW UNFAIR COMPETITION AND INFRINGEMENT

52. Aquasmart realleges and incorporates by reference herein all of the allegations set forth in the foregoing paragraphs 1 through 51.

- 53. Defendant's use of trademarks and a trade name that are substantially and confusingly similar to the AQUASMART Marks amounts to unfair competition and common law trademark infringement. By such usage, Defendant is trading upon Plaintiff's goodwill and reputation and is misappropriating the benefits of substantial effort and money expended by Plaintiff in establishing its rights in the AQUASMART Marks and its goodwill and reputation.
- 54. The aforesaid acts of Defendant are willful and deliberate.
- 55. The aforesaid acts of Defendant have caused Plaintiff irreparable injury and unless restrained and enjoined by this Court, will continue to cause irreparable damage, loss, and injury to Plaintiff.
- 56. The aforesaid acts of Defendant have injured Plaintiff in an amount to be determined at trial.
- 57. Defendant's acts described above constitute unfair competition and common law trademark infringement in violation of New York common law.

#### PRAYER FOR RELIEF

WHEREFORE, Plaintiff Aquasmart requests the following relief against Defendant ASI:

1. That Defendant, and each of its officers, directors, agents, employees, affiliates, and representatives, and anyone acting in active concert or participation with them or any of them, be preliminarily and permanently enjoined and restrained from:

- (a) using on or in connection with any water purification, water conservation, water filtration, or related business, including in any domain names, the term "Aquasmart" or any term or designation that is confusingly similar thereto;
- (b) representing by any means whatsoever, directly or indirectly, or doing any other acts calculated or likely to cause confusion, mistake, or to deceive consumers into believing that Defendant's services and any related goods are the goods or services of Plaintiff, or that there is any affiliation between Plaintiff or Plaintiff's goods and services and Defendant or Defendant's goods and services, and from otherwise unfairly competing with Plaintiff;
- 2. That Defendant be required to transfer the domain "www.aquasmartco.com" to Plaintiff;
- 3. That Plaintiff recover its damages sustained as a result of Defendant's trademark infringement, false advertising, false designation of origin, and unfair competition, together with an accounting of Defendant's profits arising from such activities, and that the Court exercise its discretion and enter a judgment for such additional sums as the Court shall find to be just, according to the egregious nature of the acts of Defendant.
- 4. That Plaintiff recover treble damages under 15 U.S.C. § 1117 and New York General Business Law § 360(m) by reason of the willful and deliberate acts of federal and common law trademark infringement and unfair competition by Defendant;
- That Plaintiff recover treble damages under New York General Business Law §§349(h) 5. and 350(d) by reason of Defendant's acts of deceptive trade practices;
- That Plaintiff recover its reasonable attorneys' fees pursuant to 15 U.S.C. § 1117 6.

and New York General Business Law §§349(h), 350(d), and 360(m);

- 7. An order requiring all materials and goods bearing an infringing mark to be delivered to the Court or upon the Court's order to Plaintiff, for impoundment and destruction;
- 8. Such other, different and additional relief as the Court deems just and proper.

Dated: New York, New York February 21, 2008

Respectfully submitted,

PATTON BOGGS LLP

Daniel R. Murdock DM-1498

1185 Avenue of the Americas, 30th Floor

New York, NY 10036

Main Phone: (646) 557-5100 Main Fax: (646) 557-5101

Attorney for Plaintiff
Aquasmart Technologies, Inc.

### **EXHIBIT A**

# "AQUASMART" FEDERAL REGISTRATION

U.S. Reg. No. 1,875,881

Trademark Electronic Search System (TESS)

Page 1 of 2



United States Patent and Trademark Office

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Trademarks > Trademark Electronic Search System (TESS)

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Record 6 out of 6

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Browser to return to TESS)



Word Mark

AQUASMART

Goods and Services

IC 011. US 013 031. G & S: water conserving plumbing fixtures and equipment; namely, shower heads, aerators, swivel shower-spraying beads, water purifying units, shower massagers, shower extension hoses, shower extension hoses and heads, and faucet extension hoses. FIRST USE: 19910801. FIRST USE IN COMMERCE: 19930729

Mark Drawing

Code

(3) DESIGN PLUS WORDS, LETTERS, AND/OR NUMBERS

Code

Design Search 01.15.18 - More than one drop including teardrops or raindrops; multiple drops (rain, tear, etc.); Raindrops (more than a single drop); Teardrops (more than a single drop)

Serial Number 74263694

Filing Date

April 8, 1992

**Current Filling** 

Basis Original Filing Basis

1B

Published for Opposition

November 23, 1993

Registration Number

1875881

Registration

Date

January 24, 1995

Owner

(REGISTRANT) Emily Testa Marketing Ltd. CORPORATION CANADA 3014 Beta Avenue Burnaby, British Columbia CANADA V5G 4K4

Trademark Electronic Search System (TESS)

Page 2 of 2

(LAST LISTED OWNER) AQUASMART TECHNOLOGIES INC. CORPORATION BY CHANGE OF NAME BRITISH COLUMBIA 3122 BETA AVENUE BURNABY, B.C. CANADA VG5 4K4

Assignment Recorded

ASSIGNMENT RECORDED

Attorney of Record

**BRUCE GREEN** 

Type of Mark

TRADEMARK

Register

PRINCIPAL

Affidavit Text SECT 15. SECT 8 (6-YR). SECTION 8(10-YR) 20050801.

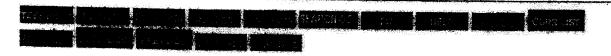
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Indicator

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Thank you for your request. Here are the latest results from the TARR web server.

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Serial Number: 74263694 Assignment Information

Trademark Document Retrieval

Registration Number: 1875881

Mark



(words only): AQUASMART

Standard Character claim: No

Current Status: This registration has been renewed.

Date of Status: 2005-03-01

Filing Date: 1992-04-08

Transformed into a National Application: No

Registration Date: 1995-01-24

Register: Principal

Law Office Assigned: LAW OFFICE 7

If you are the applicant or applicant's attorney and have questions about this file, please contact the Trademark Assistance Center at Trademark Assistance Center @uspto.gov

Current Location: 834 -Post Registration

Date In Location: 2005-03-01

#### LAST APPLICANT(S)/OWNER(S) OF RECORD

#### 1. AQUASMART TECHNOLOGIES INC.

Address:

AQUASMART TECHNOLOGIES INC.

3122 BETA AVENUE

BURNABY, B.C. VG5 4K4

Canada

Legal Entity Type: Corporation

State or Country of Incorporation: British Columbia

#### GOODS AND/OR SERVICES

International Class: 011 Class Status: Active

water conserving plumbing fixtures and equipment; namely, shower heads, aerators, swivel shower-spraying heads, water purifying units, shower massagers, shower extension hoses, shower extension

hoses and heads, and faucet extension hoses

Basis: 1(a)

First Use Date: 1991-08-01

First Use in Commerce Date: 1993-07-29

#### ADDITIONAL INFORMATION

Design Search Code(s):

01.15.18 - More than one drop including teardrops or raindrops; Raindrops (more than a single drop); Teardrops (more than a single drop); multiple drops (rain, tear, etc.)

#### MADRID PROTOCOL INFORMATION

(NOT AVAILABLE)

#### PROSECUTION HISTORY

NOTE: To view any document referenced below, click on the link to "Trademark Document Retrieval" shown near the top of this page.

2005-03-01 - First renewal 10 year

- 2005-03-01 Section 8 (10-year) accepted/ Section 9 granted
- 2005-01-23 Combined Section 8 (10-year)/Section 9 filed
- 2005-01-23 TEAS Section 8 & 9 Received
- 2001-04-18 Section 8 (6-year) accepted & Section 15 acknowledged
- 2001-01-17 Section 8 (6-year) and Section 15 Filed
- 1995-01-24 Registered Principal Register
- 1994-10-11 Allowed for Registration Principal Register (SOU accepted)
- 1994-09-19 Statement of use processing complete
- 1994-08-05 Amendment to Use filed
- 1994-02-15 Notice of allowance mailed
- 1993-11-23 Published for opposition
- 1993-10-22 Notice of publication
- 1993-08-23 Approved for Pub Principal Register (Initial exam)
- 1993-07-26 Communication received from applicant
- 1993-06-21 Inquiry as to suspension mailed
- 1992-09-04 Letter of suspension mailed
- 1992-08-03 Communication received from applicant
- 1992-07-14 Non-final action mailed
- 1992-06-22 Assigned To Examiner

#### ATTORNEY/CORRESPONDENT INFORMATION

#### **Attorney of Record**

**BRUCE GREEN** 

#### Correspondent

**BRUCE GREEN** 

OYEN WIGGS GREEN & MUTALA

Latest Status Info

STE 480 6014 WEST CORDOVA STREET VANCOUVER BC , CANADA V6B 1G1

**Domestic Representative**BARRY E BRETSCHNEIDER

### **EXHIBIT B**

### AQUASMART'S FIRST CEASE AND DESIST LETTER

MAY 2, 2006

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6042940710

AGUASMART TECH

PAGE 02

#### OYEN WIGGS GREEN & MUTALALLE INTELLECTUAL PROPERTY LAWYERS

Registered Patent & Trademark Agents

480—The Station, 601 West Cordova Street Variationse, British Columbia, Canada Villi (G1 Tel: 604,659,3452 Part 604,651,4051 www.patentable.com mail@patentable.com

\* Law Corporation

2 May 2006

Aqua Smart Co. 106 Purdy Avenue Port Chester, New York 10573-4624

By email

Dear Sir/ Madam:

Re:

Infringement of United States Trademark Registration no. 1875881

Trademark: AQUASMART Registrant: Aquaemart Technologies Inc. Our File A279 0025

We act for Aquasmart Technologies Inc., the owner of the trademark AQUASMART for water conserving plumbing fedures and equipment, including water purifying units. Our client has widely used the trademark AQUASMART in the United States since 1993 and it was registered in 1995. A copy of the registration is enclosed.

It has come to our client's attention, as a result of a misdirected contact by one of your company's disgrantled customers, that your company is using the trademark AQUA SWART in the United States for water purifiers and water coolers. Such use constitutes infringement of our client's registered trademark. Our client is entitled to injunctive relief, damages and legal costs as a result of such infringement. Our client takes its trademark rights very seriously and will take whatever legal steps are necessary to protect them. Our client therefore demands that you immediately cease and desist from any use of the trademark AQUA SMART in association with water purifiers, water coolers and related products. Provided your company is cooperative, we will encourage our client to provide a reasonable change-over period. change-over period.

However, in the absence of your favourable reply within 7 days of receipt of this letter, we will seek instructions from our client as to the further legal steps it will take, without further notice to you.

Yours truly,

Bruce M. Green BMG/bmg cc:client

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AGUASMART TECH

PAGE 03

Trademark Electronic Search System (TESS)

Page 2 of 2

Assignment Recorded

ASSIGNMENT RECORDED

**Attorney** of

Record

BRUCE GREEN

Type of Mark

TRADEMARK

Register

PRINCIPAL

Affidavit Text

SECT 15. SECT 8 (6-YR). SECTION 8(10-YR) 20050301.

Renewal

1ST RENEWAL 20050301

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Trademarks > Trademark Electronic Search System(Tess)

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Word Mark

AQUASMART

Goods and Services

IC 011. US 013 031. G & S: water conserving plumbing fixtures and equipment; namely, shower heads, serators, swivel shower-spraying heads, water purifying units, shower massagers, shower extension hoses, shower extension hoses, shower extension hoses. FIRST USE:

19910801 FIRST USE IN COMMERCE: 19930729

Mark Drawing

Code

(3) DESIGN PLUS WORDS, LETTERS, AND/OR NUMBERS

Design Search

Code

01.15.08 - Drops (rain, tear, etc.); Raindrops: Teardrops

Serial Number 74263694

Filing Date

April 8, 1992

**Current Filing** 

Basis

Original Filing Basis

Published for

Opposition

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Registration Number

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Date

January 24, 1995

Owner

(REGISTRANT) Emily Tests Marketing Ltd. CORPORATION CANADA 3014 Bets Avenue Burnaby, British Columbia CANADA VEG 4K4

(LAST LISTED OWNER) AQUASMART TECHNOLOGIES INC. CORPORATION BY CHANGE OF NAME BRITISH COLUMBIA 3122 BETA AVENUE BURNABY, B.C. CANADA VG5 4K4

### **EXHIBIT C**

### DEFENDANT'S RESPONSE TO CEASE AND DESIST LETTER

August 8, 2006

01/31/2008 12:58

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AGUASMART TECH

PAGE 12

Aug 08 06 04:38p

Rozan & Milson, LLP

(212)687-)118

p. 1

### ROZAN & NILSON, L

ATTORNEYS AT LAW

420 LEXINGTON AVENUE SUITE 850 NEW YORK, NY 19170 PHONS: (2121 867-1155 FACSIMILE: (2121 867-1118 WWW.ROZANNIUSON.COM.

DEBORAH ANN NILSON

EMAIL: DNILSON PROZENNIESON, COM

August 8, 2006

Oyen Wiggs Green & Mutala, LLP 480 - The Station 601 West Cordova Street Vancouver, British Columbia, Canada Atm: Bruce M. Green

Dear Mr. Green: I am writing to you on behalf of my client, AquaSmart, Inc.

My client installs and leaves its products for drinking water profilection to small businesses for office use, while your client's products seem to be sold for residential use, in consection with showers. In addition, your client uses the mark is a distinctive crylized faithion, while my clients mark is far less crylized. Furthermore, my client capitalizes the word "Smart" to make the mark appear as two words.

We believe that the differences in channels of trade and usege, and in the actual marks themselves, would prevent the likelihood of confusion. Nonetheless, if your client is consumed that my client will expand beyond the type of product it sells now, my client would be willing to sign an agreement restricting its expansion of product rold under this mark to its current market.

I look forward to hearing from you at your earliest convenience.

Please note that I will be out of the office August 11 -27 for vacation, but will be happy to discuss this further with you upon my return.

Sincerely,

Deborah A. Nilson

### **EXHIBIT D**

Page 1 of 2

# PLAINTIFF'S CORRESPONDENCE TO DEFENDANT'S COUNSEL

August 9, 2006

01/31/2008 12:58 6042940710 08/09/06 16:33 FAI 504 581 4081

AGLIASMART TECH.

PAGE 13 @001/001

# OYEN WIGGS GREEN & MUTALALLP

Registered Parent & Trademark Agents

480—The Station, 601 West Condors Street Vancouver, Bellish Columbia, Canada V6B 101 Tel: 604.669.3432 Proc 604.661.4081 Proc patentable.com mail@patentable.com

COPY

Gerald C. S. Oyen\* Brace M. Green: \* David J. McGrander\* Gavin N. Mandag d Hilton W. C. Sur Richard A. Johnson David H. Takagawa Eleke K. Wiggstation D. Matele Thomas W. Bailey George E. Kandor Craigs A. Ash Todd A. Battony Bonbedy L. La

\* Law Competedion

9 August, 2006

By Fax 212 687-1118

Deborah A. Nilson, Bsq. Rozan & Nilson, LLP 420 Lenington Avenue Suite 850 New York, NY 10170 U.S.A.

Dear Ms. Nilson:

Re:

Infringement of United States Trademark Reg. No. 1875881

Trademark

AQUASMART

Registrant

Aquasmant Technologies Inc.

Our Bile:

A279 0025

Thank you for your letter of August 8, 2006. There is no question that your client's use of the Aquasmart pame is confusing with our client's trademark and is therefore infringing. Our client, as I set out in my letter of May 2, 2006, has already received misdirected contacts by your client's disgrantied customers. That is how your client came to our client's attention. Our client's registration is not restricted to residential use. Many of our client's oustomers are small businesses as well as wholesale and rettal businesses. The marks both sound identically when spoken, hence confusion over the telephone.

Our client has already given me instructions to commence an infiningement action. Given that you will be out of the office starting Friday, as a countery I will delike commencing the litigation until your return in the event that your client has given you other instructions by that time.

Yours truly,

Bruce M. Green BMG/cnr

bcc:

Ms. Hmily Testa

Aquesment Technologies Inc.

By Fax 604 294-0710